

**QUARTERLY REPORT TO THE JOINT LEGISLATIVE OVERSIGHT
COMMITTEE**

ON

**MENTAL HEALTH, DEVELOPMENTAL DISABILITIES AND SUBSTANCE
ABUSE SERVICES**

SESSION LAW 2001-437

April 1, 2005 to June 30, 2005

This quarterly report is submitted to the Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services (LOC), pursuant to the requirements of Session Law 2001-437. This report is for the months of April 1 through June 30, 2005 and provides information on major developments as the Division implements reform.

Section I: Major developments for this quarter include:

- State Plan a Blueprint for Change was published July1, 2005.
- Division staff provided orientation for consumers and families on the new/revised service definitions via video conference broadcast to 21 sites statewide.
- The Division recommended rule changes for Level II, III and PRTF Residential Group Home Providers.
- Dr. Jerry Lyall will retire as Director of O'Berry Center effective July1, 2005. He will be replaced by Dr. Frank Farrell.
- Staff of DMHDDSAS and DFS completed on-site reviews of all children residential treatment homes licensed under 10NCAC27G ,1300. Of the 1054 homes surveyed:
 - 305 were vacant (83 of which never had clients).
 - 105 facilities surrendered their licenses.
 - 71 received 106 administrative sanctions (Detailed in the chart below):

Type A	Type B	Provisional License	Suspension of Admissions	Revocation of Licenses	Summary Suspension of License
38	41	2	11	10	4

- 458 received standard deficiencies.

Section II: Division Accomplishments

1. Communication Bulletins #036, #037, #038, #039, #040, #041 and #042

- Communication Bulletin # 036 announced the approved list of organizations who may accredit providers of MH/DD/SAS services and those that may accredit LME's for System Management.
- Communication Bulletin # 037 announced and outlined the procedure for the endorsement of providers by the LMEs prior to being enrolled as a Medicaid provider.
- Communication Bulletin # 038 announced the finalized Policy for Consumer Complaints to an Area/County Program. All Area/county Programs are expected to align their consumer complaint processes and procedures with the policy by August 1, 2005.
- Communication Bulletin # 039 announced the revised implementation date for New Medicaid Rehabilitation Option State Plan Services. The new expected implementation date is October 1, 2005.
- Communication Bulletin # 040 was the first of three planned guidance documents. This communication bulletin contained information on how Intensive In-Home services for children may be delivered and billed during the transition to the new and enhanced services.
- Communication Bulletin # 041 announced the draft version of the State Plan 2005.
- Communication bulletin # 042 announced the change in the implementation date for the new CAP-MR/DD Waiver. After consultation with the Division of Medical Assistance the new implementation date was postponed until September 1, 2005.

2. Systems Development

- State Plan 2005: Blueprint for Change
The Division in conjunction with the State CFAC developed and released the draft State Plan 2005: Blueprint for Change on May 25, 2005 for a 30 day comment period. The Division received feedback from over 30 organizations and citizens commenting on each of the seven substantive chapters of the Plan. The Division reviewed each comment and made edits and changes were appropriate. The State Plan was published and made available to the public on July 1, 2005. The Plan can be found at www.dhhs.state.nc.us/mhddsas.index.html

3. Consolidation of Local Programs

Sandhills and Lee-Harnett have announced plans to merge effective July 1, 2005.

4. Services and Programs

Service Definitions:

The Division of Medical Assistance submitted the State Plan Amendment to the Centers for Medicare and Medicaid Services (CMS) March 2005. The State Plan amendment is still under review.

Waivers:

- The comprehensive 1915© CAP-MR/DD has been approved by the Centers for Medicaid/Medicare. Implementation of the waiver is set for September 1, 2005.
- A second Consumer Directed Supports waiver is in the process of development in collaboration with stakeholders. This waiver provides the opportunity for consumers/families to direct their own services and supports. A draft will be distributed for comment and feedback to stakeholders by August 1, 2005. Submission to DMA will be by September 1, 2005.

5. Financing

Mental Health Trust Fund:

The Mental Health Trust Fund continues to be used to assist in reform and community expansion. As of June 30, 2005, \$41,752,949 has been used for the following: bridge funding to Area Programs/Local Management Entities associated with hospital downsizing, hospital replacement planning, funding to Area Programs/Local Management Entities for Integrated Payments and Reporting System (IPRS) conversion and Local Business Plan development, Olmstead assessments, training regarding reform and consultant contracts.

6. Public Outreach to Discuss System Reform

- On May 4, 2005 Division staff hosted one town hall meeting in Wake County at the Wake county commons. Close to 100 citizens were in attendance and were provided an update on mental health reform.
- On May 23, 2005 the division hosted a videoconference which was broadcast to twenty cities across the state for consumers and families to educate on reform.

7. Rule Changes

The Division recommended changes in licensure rules governing residential treatment and psychiatric residential treatment facility (PRTF) services. The proposed rules are applicable to providers of residential treatment Level III, IV and PRTF services. These rule changes require increases in staff/client ratios, staff and management qualifications, as well as set additional requirements for on-call staff. The Commission for MH/DD/SAS

adopted the final rules for residential treatment staff secure (Level III) and PRTF at their quarterly meeting on May 18, 2005. However, the rule changes are held pending a review by the Division of Budget Management for fiscal review and impact. Additionally, the Commission for MH/DD/SAS approved the Division's recommendations concerning intensive residential treatment (Level IV) for publication in the NC Register and initiation of the required 60 day comment period at the same meeting.

8. Developing Community Capacity

The Division released a request for applications (RFA) for use of MH/DD/SAS Trust Funds. The RFA was for proposals specific to child/adolescent mental health services in order to build community capacity by increasing availability of intensive in-home respite and crisis services throughout the state.